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THE Livestock and Meat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LMS-28

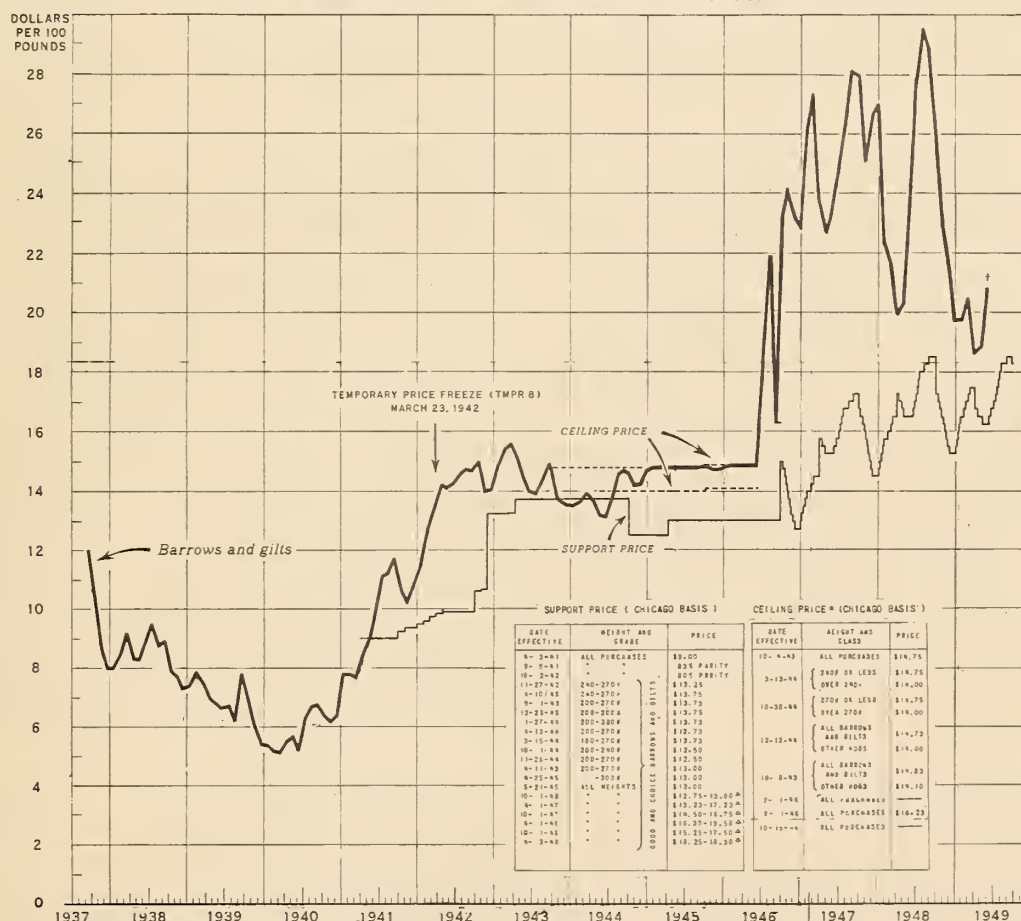


JUNE 1949

In this Issue:

Productive level of the cattle herd in relation
to prospects for output of beef and veal.

PRICE OF BARROWS AND GILTS PURCHASED AT CHICAGO, 1937-49



* DID NOT APPLY TO HOGS SOLD FOR FEEDING OVER 30 DAYS, FOR BREEDING TO SERUM MANUFACTURERS, OR BY NATIONAL YOUTH ORGANIZATIONS
* VARIED SEASONALLY ABOUT AN ANNUAL AVERAGE OF \$14.25 FROM 10/1/46 TO 3/31/47, OF \$15.60 FROM 4/1/47 TO 9/30/47, OF \$16.15 FROM 10/1/47 TO 3/31/48, OF \$16.84 FROM 4/1/48 TO 9/30/48, OF \$17.02 FROM 10/1/48 TO 4/2/49, AND OF \$16.75 FROM 4/3/49 TO 10/1/49.
* AVERAGE OF PRICES FOR 4 WEEKS OF JUNE

U. S. DEPARTMENT OF AGRICULTURE

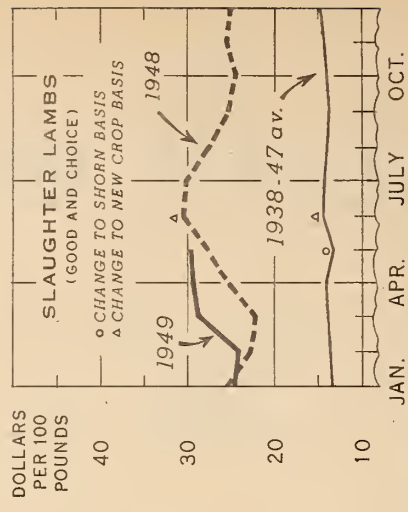
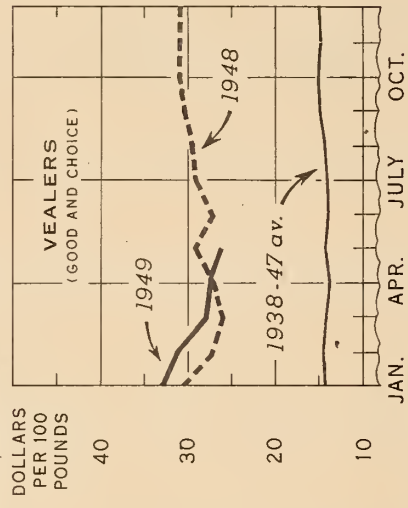
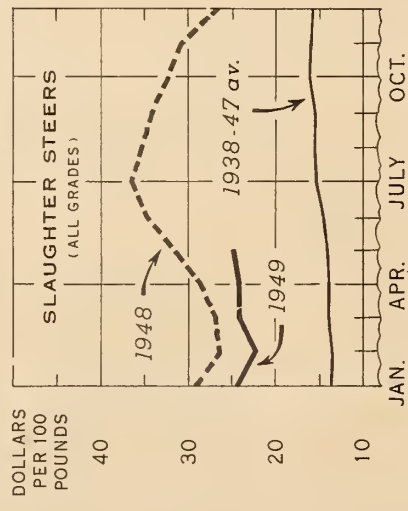
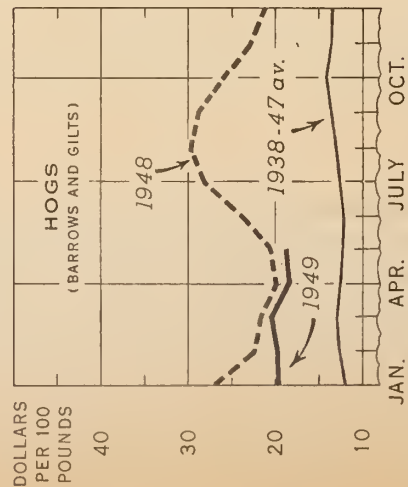
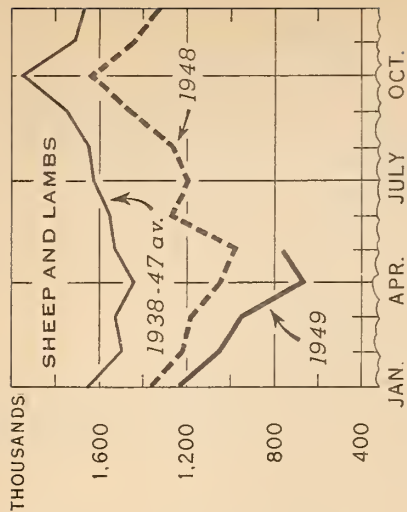
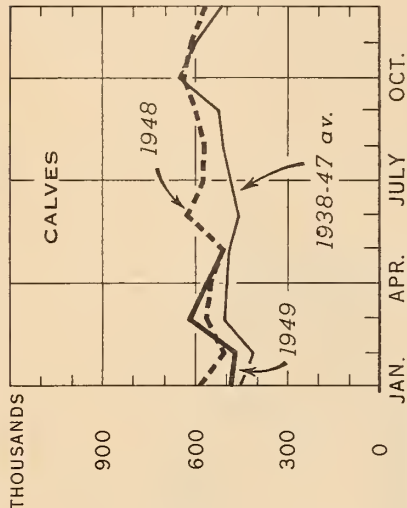
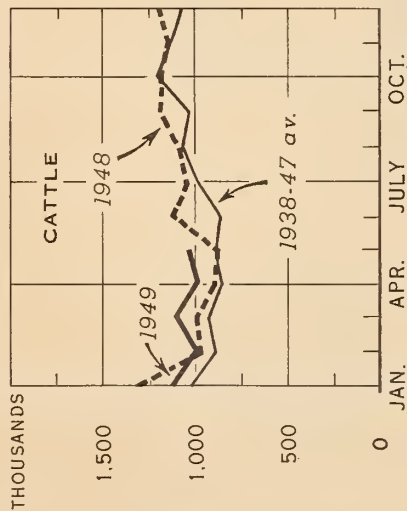
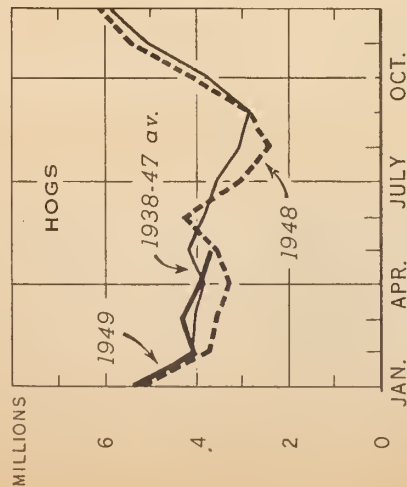
REC. 43315 BUREAU OF AGRICULTURAL ECONOMICS

Prices of hogs have been continuously above support prices since 1944. However, in one week of April this year prices were within about \$1.25 of supports and were the lowest since controls ended in mid-October 1946. After an advance in May and early June, prices the week ending June 25 were 4 dollars higher than support prices.

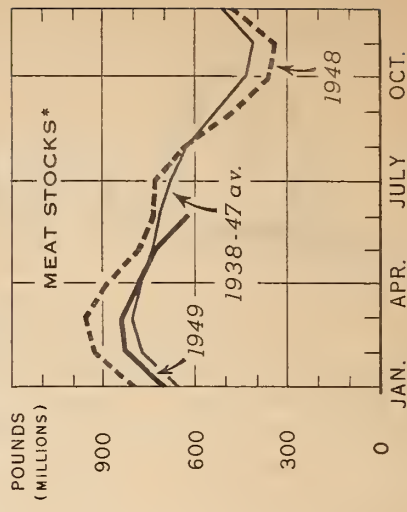
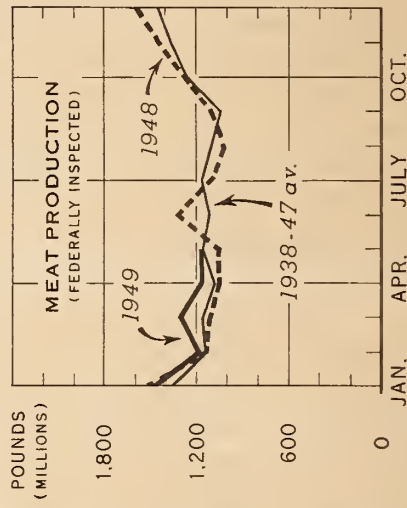
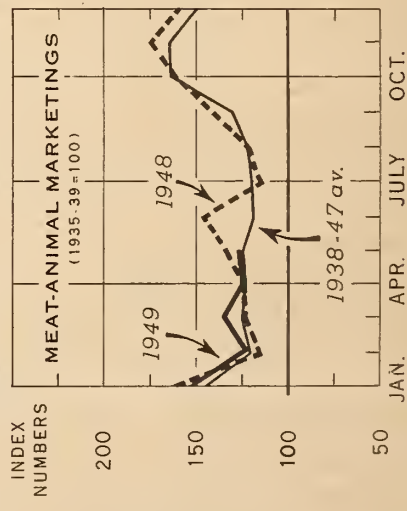
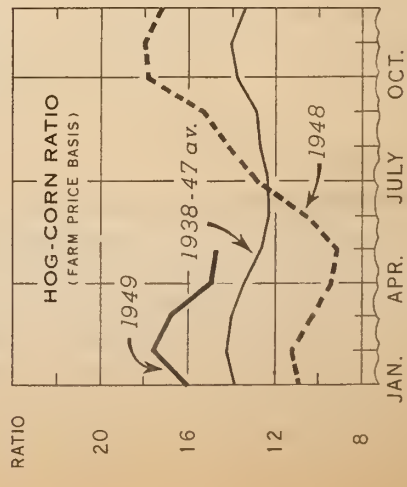
The 15 percent larger 1949 spring pig crop means that more hogs will be marketed this fall and winter than a year earlier. Prices may decline earlier and faster than usual, beginning in late summer. Support prices also will be adjusted seasonally. Prices of hogs may possibly reach the support level. Trends in demand will be a significant factor.

LIVESTOCK AND MEAT SITUATION

FEDERALLY INSPECTED SLAUGHTER, UNITED STATES



HOG-CORN RATIO, MEAT ANIMAL MARKETINGS, MEAT PRODUCTION, AND STOCKS, UNITED STATES



* BEEF, LAMB AND MUTTON, PORK, AND MISCELLANEOUS MEATS IN MEAT PACKING PLANTS AND COMMERCIAL COLD STORAGE HOUSES, BEGINNING OF MONTH

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, June 29, 1949

SUMMARY

The pig crop this spring was 15 percent larger than the crop last spring and the largest spring crop of any peacetime year. The estimated 59.0 million pigs saved are exceeded only by the spring crops of 1942 and 1943, which were encouraged by Government programs for production of meat to fill wartime needs.

According to farmers' intentions reported as of June 1, about 13 percent more sows than last fall, or 5.8 million, will farrow fall pigs. If litters should equal the 1938-47 average of 6.37 pigs, approximately 37.0 million pigs would be saved. In each of the last 3 years, fall litters have been at least as large as this 10-year average, and in 1948 they set a record. The 10-year average may understate the prospective size of litter. In the last five years (1944-48), fall litters averaged 6.43 pigs, with a record of 6.58 pigs set in 1948. A fall crop of 37.0 million pigs would be 9 percent larger than the 1948 fall crop and the third largest on record.

The total pig crop now indicated for 1949 probably would allow a slaughter of 83-86 million hogs in 1950. At continued heavy slaughter weights this slaughter would be equivalent to a pork supply for consumption as high as the 75.6 pounds consumed per person in 1946. At prewar average weights it would be 70 pounds or more per capita. The 1946 consumption was the third highest in the last 40 years, and pork consumption has been as large as 70 pounds but 9 times in that period.

Prices of hogs will probably hold around present levels or rise moderately this summer, but they are expected to decline as soon as spring pigs are marketed in volume. Prices fell to within about \$1.25 of supports for one week in April, and may possibly reach the support level this fall. That level will be \$18.50 in September and will decline seasonally to perhaps \$15.00 or less in December. Trends in demand will affect significantly the possibility of support operations. The present support program at 90 percent of parity will continue through March 1950.

Slaughter of Choice and Prime grades of steers has been increasing seasonally. Prices of the better grades of cattle are expected to advance less this summer than they usually do. Prices of grass-fat cattle may follow about the average seasonal decline. Reports from ranges indicate that cattle and calves are generally in good condition.

Prices of slaughter lambs may decline moderately as supplies increase seasonally but are expected to be relatively higher than other livestock prices through most of this year.

OUTLOOK

Spring Pig Crop a Peacetime Record

An estimated 59.0 million pigs were saved from spring farrowing this year. The number is 15 percent more than the crop last spring and the largest spring crop for any peacetime year. It was exceeded only by the spring crops of 1942 and 1943, when feed grain stocks were large and Government programs encouraged conversion of the stocks into meat and other livestock products to meet wartime needs.

The pig crop was farrowed by 9.1 million sows, 15 percent more than farrowed in the spring of 1948. The crop increased about the same as the number of sows farrowing because the average size of litter was almost unchanged. The average of 6.45 pigs saved per litter compares with 6.44 last spring and the record 6.46 in 1946.

Biggest increases in the pig crop were in the Corn Belt. The crop was up 18 percent from last year in the East North Central States, and 17 percent in the West North Central States. Next in rank among regions was the South Central, with 13 percent more pigs than in the spring of 1948. Five states of the central and eastern Corn Belt--Ohio, Indiana, Illinois, Missouri and Iowa--reported their second largest spring pig crop on record.

There was a marked shift toward early farrowing dates this year. Three-fourths of the increase of the spring pig crop this year occurred before April 1.

The increase in the 1949 spring pig crop follows a year of generally favorable conditions for hog production. The 1948 corn crop of 3,651 million bushels was by far a record, 401 million larger than the previous high of 1946. At the time the crop was raised, livestock numbers were down from earlier levels and prices of most livestock and livestock products were at all-time peaks. The price of corn declined as the corn harvest approached, and feeding ratios became more favorable to livestock producers. The hog-corn ratio rose rapidly. In November the United States average ratio, farm basis, reached 18.0. Even in April this year, when prices of hogs were the lowest in several years, the ratio was down only to 15.2. The long-time average ratio (1910-48) is 11.8.

The pig crop this spring is just short of the goal of 60 million recommended last fall by the Department of Agriculture.

Fall Pig Crop to be Larger

Farmers indicated on June 1 that they intend to keep 5.8 million sows to farrow this fall. This number is 13 percent larger than the number farrowing last fall, and represents the third successive year of increase.

Table 1.- Sows farrowing, pigs saved and pigs saved per litter, spring and fall pig crops, United States and by regions, average 1937-41, annual 1942-49

SPRING PIG CROP							
Year	North Atlantic	North Central East West	South Atlantic	South Central	Western	United States	
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Sows farrowing							
1937-41 av.	140	2,016	3,417	580	1,069	312	7,534
1942	151	2,467	4,674	665	1,314	413	9,684
1943	210	2,947	5,997	818	1,686	516	12,174
1944	198	2,416	4,801	772	1,227	332	9,246
1945	154	2,129	4,111	620	1,024	260	8,298
1946	144	2,169	3,876	639	1,027	254	8,109
1947	157	2,313	4,266	670	1,003	243	8,652
1948	148	2,113	3,761	653	1,019	270	7,964
1949 1/	161	2,491	4,404	688	1,128	276	9,148
Pigs saved							
1937-41 av.	886	12,961	21,472	3,377	6,157	1,948	46,801
1942	952	16,378	29,523	3,914	7,781	2,545	61,093
1943	1,304	18,252	36,899	4,720	9,907	3,141	74,223
1944	1,316	15,193	25,568	4,432	7,162	2,033	55,754
1945	1,000	14,176	25,756	3,635	6,003	1,619	52,189
1946	984	14,559	25,324	3,779	6,130	1,616	52,392
1947	1,019	14,278	26,031	3,956	5,992	1,526	52,802
1948	985	14,066	24,348	3,969	6,212	1,686	51,266
1949 1/	1,092	16,558	28,394	4,215	7,016	1,765	59,040
Pigs saved per litter							
	Number	Number	Number	Number	Number	Number	Number
1937-41 av.	6.32	6.45	6.30	5.82	5.76	6.24	6.22
1942	6.31	6.64	6.32	5.89	5.92	6.17	6.31
1943	6.21	6.19	6.15	5.77	5.88	6.09	6.10
1944	6.63	6.25	5.94	5.81	5.84	6.12	6.03
1945	6.52	6.66	6.27	5.87	5.86	6.22	6.29
1946	6.79	6.71	6.53	5.91	5.97	6.35	6.46
1947	6.49	6.17	6.10	5.90	5.97	6.27	6.10
1948	6.63	6.66	6.47	6.08	6.10	6.24	6.44
1949 1/	6.80	6.64	6.45	6.13	6.22	6.39	6.45
FALL PIG CROP							
Sows farrowing							
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
1937-41 av.	127	1,471	1,480	507	963	254	4,802
1942	157	1,994	2,405	636	1,284	364	6,840
1943	220	2,247	2,463	771	1,454	410	7,565
1944	135	1,536	1,544	552	914	201	4,882
1945	139	1,705	1,848	558	976	200	5,426
1946	120	1,515	1,446	539	883	160	4,715
1947	119	1,566	1,534	598	908	182	4,907
1948	125	1,631	1,704	575	934	200	5,169
1949 2/	126	1,907	1,972	603	1,017	207	5,832
Pigs saved							
1937-41 av.	844	9,756	9,400	3,051	5,769	1,608	30,428
1942	1,039	13,132	15,362	3,901	8,054	2,322	43,810
1943	1,445	14,489	15,469	4,696	8,917	2,568	47,584
1944	909	10,164	9,782	3,276	5,500	1,274	30,905
1945	919	11,224	11,761	3,401	6,007	1,281	34,593
1946	808	10,194	9,574	3,597	5,382	993	30,548
1947	822	10,258	9,760	3,668	5,668	1,169	31,345
1948	864	11,066	11,280	3,591	5,908	1,286	33,995
1949 2/							37,000
Pigs saved per litter							
	Number	Number	Number	Number	Number	Number	Number
1937-41 av.	6.63	6.63	6.34	6.02	5.99	6.31	6.33
1942	6.69	6.59	6.39	6.13	6.27	6.38	6.40
1943	6.56	6.45	6.28	6.09	6.13	6.26	6.29
1944	6.71	6.62	6.35	5.94	6.02	6.35	6.33
1945	6.63	6.58	6.36	6.10	6.15	6.41	6.38
1946	6.76	6.73	6.62	6.11	6.10	6.23	6.48
1947	6.88	6.55	6.36	6.13	6.24	6.45	6.39
1948	6.90	6.73	6.62	6.25	6.33	6.42	6.58
1949 2/							6.37

1/ Preliminary. 2/ Number indicated to farrow from breeding intentions as of June 1, 1949 and average number of pigs per litter (1938-47) used to calculate indicated number of pigs saved.

If litters should equal the 1938-47 average of 6.37 pigs, about 37.0 million pigs would be saved this fall. The 10-year average may under-state the prospective size of litter. In the last five years (1944-48), fall litters averaged 6.43 pigs. The 6.58 pigs saved in the fall crop of 1948 was a record.

A fall crop of 37.0 million pigs would be the third largest on record. More than this number were saved only in 1942 and 1943. It would bring the total crop for the year to 96.0 million, about 13 percent more than were saved in 1948, and a record except for 1942 and 1943.

More Pork to be Produced
Beginning This Fall

Beginning in August or early September, when spring pigs will first be marketed in volume, the number of hogs slaughtered will increase seasonally and will exceed the number a year earlier. The higher level of hog slaughter will extend through both the fall and winter season of marketing spring farrowed hogs, and the spring and summer months of 1950 when hogs farrowed this coming fall are marketed.

The quantity of pork produced will also increase commencing in late summer this year. More pork may be available for consumption this fall and winter, and through much of next year, than in most years of record. How large the supplies will be depends on several factors, chief of which is the average weights at which slaughter hogs will be marketed.

For many years before 1941, the annual average weight of hogs slaughtered under Federal inspection varied between 220 and 235 pounds. In 1941, it rose to 241 pounds, and weights during the war years were considerably higher. From 1945 to 1948 they remained high, averaging over 250 pounds. In the months of 1949 to date, except January, weights have been a little lighter than a year earlier. The average for the year may fall below 250 pounds, but will still be much higher than prewar weights.

The importance of slaughter weights, and of several other factors as well, is shown by comparisons with earlier periods. The spring pig crop this year, even though the third largest on record, does not appear exceptionally large when allowance is made for growth of population. The 1949 spring crop was smaller in terms of United States population than the spring crop of any year from 1925 to 1934, and smaller than the crop of several years since 1934.

But the output of pork for consumption in this country in that earlier period was not as great as pig crop data would indicate. Not only were slaughter weights lower, but also several hundred million pounds of pork were exported annually. In recent years exports and shipments have been only around 100 million pounds. If slaughter weights should remain high in 1949-50 and exports low, considerably more pork will be available from the pigs saved in 1949 than would have been available from the same number of pigs in earlier years.

Table 2.- Number of sows farrowing and percentage distribution by months, spring and fall season, United States, average 1937-41 and annual 1945-49

		Number, spring season					
Year	Dec. 1/	Jan.	Feb.	March	April	May	Total
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1937-41 average	290	409	791	1,999	2,605	1,440	7,534
1945	310	378	700	2,022	3,003	1,885	8,298
1946	296	358	703	2,136	2,962	1,654	8,109
1947	301	393	914	2,475	3,063	1,506	8,652
1948	263	367	762	2,150	2,874	1,548	7,964
1949	304	471	1,001	2,655	3,121	1,596	9,148
		Percentage of spring season					
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1937-41 average	3.9	5.4	10.5	26.5	34.6	19.1	100.0
1945	3.7	4.6	8.4	24.4	36.2	22.7	100.0
1946	3.7	4.4	8.7	26.3	36.5	20.4	100.0
1947	3.5	4.5	10.6	28.6	35.4	17.4	100.0
1948	3.3	4.6	9.6	27.0	36.1	19.4	100.0
1949	3.3	5.2	10.9	29.0	34.1	17.5	100.0
		Number, fall season					
	June	July	Aug.	Sept.	Oct.	Nov.	Total
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1937-41 average	546	510	879	1,483	939	445	4,802
1945	778	598	1,022	1,662	973	393	5,426
1946	669	524	872	1,451	820	377	4,713
1947	644	559	1,010	1,512	840	342	4,907
1948	743	581	1,004	1,552	887	399	5,169
1949							5,832
		Percentage of fall season					
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1937-41 average	11.4	10.6	18.3	30.9	19.5	9.3	100.0
1945	14.4	11.0	18.8	30.6	17.9	7.3	100.0
1946	14.2	11.1	18.5	30.8	17.4	8.0	100.0
1947	13.1	11.4	20.6	30.8	17.1	7.0	100.0
1948	14.4	11.3	19.4	30.0	17.2	7.7	100.0
1949							

1/ December of preceding year.

Table 3.- Number of hogs 6 months old and over on farms June 1, 1935-49

Year	North Central States	Other States	United States
	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>
1935	10,729	8,499	19,228
1936	11,969	8,805	20,774
1937	10,635	9,518	20,153
1938	10,843	9,350	20,193
1939	13,460	10,854	24,314
1940	15,518	11,650	27,168
1941	14,787	9,860	24,647
1942	17,835	11,006	28,841
1943	23,017	13,240	36,257
1944	20,866	13,634	34,500
1945	16,147	9,419	25,566
1946	14,107	8,852	22,959
1947	15,527	8,693	24,220
1948	14,650	9,096	23,746
1949 <u>1/</u>	14,305	8,641	22,946

1/ Preliminary.

The pig crops of 1949 are roughly equivalent to an annual slaughter of 83-86 million hogs. At average weights of prewar years-- and at present ratios between output of pork relative to lard--this slaughter would amount to around 70 pounds of pork per capita. At slaughter weights of 250 pounds it would equal 76-78 pounds per capita. For comparison, average consumption of pork per capita has been as follows: 1925-29, 67 pounds; 1930-34, 68 pounds; 1937-41, 64 pounds; 1942-45, 72 pounds; 1946, 76 pounds; 1947, 70 pounds; 1948, 69 pounds.

Hog Numbers on June 1 Down

An estimated 22.9 million hogs over 6 months of age were reported on farms June 1, 3 percent fewer than last year. The reduction probably was larger for butcher barrows and gilts. Hogs from the previous fall pig crop were marketed early this spring, in contrast with the spring of 1948 when they were held back because of a partial shut-down in the packing industry during a labor dispute. Probably more sows were on farms than a year earlier because more had been on hand for spring farrowing.

Lard Prices Still Low; Price Spread
Between Weight Classes of
Hogs Widening

Lard prices have advanced slightly in the last 2 months but remain unusually low in comparison with the price of hogs or of pork. In May, refined prime steam lard in one-pound cartons sold at wholesale in Chicago for about three-fourths the price per pound of barrows and gilts. In most years, lard has been priced higher per pound than are live hogs.

The spread in price between medium and heavy butcher hogs has widened in the last few weeks. In late April, 270-300 pound barrows and gilts were selling at Chicago for only \$0.60 less per 100 pounds than 200-220 pound hogs. By the week ended June 18, the difference had increased to \$1.39. This change is largely seasonal, and is likely to be followed by a further widening as more sows are marketed. The longer prospect is for a substantial spread to continue, because of the low prices of lard and apparent reduction in demand for fat cuts in comparison with lean cuts.

A substantial price disparity during the next year between medium and heavy hogs could discourage feeding to heavy weights. As a general rule, high prices for hogs in relation to the cost of corn, and a narrow price spread between weight classes, favor feeding to very heavy weights. But when spreads widen, hog producers usually find it more profitable to feed them to lighter weights. However, producers frequently respond slowly in their feeding and marketing practices, and trends in slaughter weights usually are gradual.

Yields of lard from current slaughter have not declined, in spite of the low price. Lard yields can be varied to a considerable extent, by regulating cutting practices, and by changing the volume of fatty cuts that is rendered. Such cuts as backs, for instance, are sold without rendering or can be rendered into lard. Although the percentage yield of lard may be affected somewhat during summer months by the heavy slaughter of sows, the prevailing yield of 14 percent or more indicates that no great change has occurred in the relative quantities of fatty cuts rendered and sold. (Table 4.)

Rendering less lard when prices are low does not necessarily improve returns from slaughter of hogs. A lower outturn of lard results in an increase in that of fat cuts. Recently, some fatty cuts have been rather low in price. Chicago wholesale prices of dry salt backs were \$13.25 the week of June 18, 23 percent below the \$17.25 price in the same week in 1948.

Sow Slaughter Increasing

An increasing number of sows have been marketed in recent weeks. At 7 Midwestern markets the week of June 18, sows were 27 percent of all hogs received, up from 6 percent the first week of May and 18 percent in the week of June 19 last year. The high percentage of sows this early in the summer season reflects the large number that farrowed spring pigs in early months.

Sows will comprise an increasing percentage of all hogs marketed until the peak of the sow-marketing season is reached in mid-summer.

Hog Prices Steady or Slightly Higher in Summer, Lower in Fall

Prices of hogs may hold steady or increase slightly this summer but any advance is likely to be ended sooner than usual by an early arrival at markets of hogs from the spring pig crop. Due to the comparatively large number of sows that farrowed in the first months of the spring crop season, marketings may rise fast and prices decline in August or the first part of September.

Table 4.- Average live weight and production of pork and lard from hogs slaughtered under Federal inspection and price of barrows and gilts and lard, Chicago, by years 1930-48, by months 1948-49

Year and month	Average live weight per hog	Pork excluding lard Per hog	Percent of live weight	Lard production Per hog	Percent of live weight	Price of barrows and gilts per 100 pounds	Wholesale price of lard per pound
	Pounds	Pounds	Percent	Pounds	Percent	Dollars	Cents
1930	231.2	127.74	55.2	34.5	14.9		12.02
1931	232.8	127.86	54.9	34.8	15.0		9.02
1932	229.8	125.92	54.8	34.9	15.2		6.25
1933	231.0	126.01	54.6	35.7	15.4		6.42
1934	221.2	123.35	55.7	30.5	13.8		8.84
1935	226.7	134.52	59.4	25.5	11.2		15.07
1936	226.0	131.76	58.3	27.6	12.2		12.21
1937	225.5	134.81	59.8	24.0	10.6	10.02	12.67
1938	233.1	135.29	58.0	28.6	12.3	8.27	9.20
1939	235.3	134.53	57.2	30.8	13.1	6.81	7.46
1940	232.5	131.58	56.6	30.4	13.1	5.80	6.39
1941	241.0	136.75	56.7	32.9	13.6	9.47	10.06
1942	245.4	140.64	57.3	32.1	13.1	13.69	14.48
1943	254.5	147.07	57.8	32.9	12.9	14.49	15.55
1944	244.3	137.33	56.2	34.4	14.1	13.77	15.55
1945	264.6	156.37	59.1	32.1	12.1	14.75	15.55
1946	254.7	149.99	58.9	30.3	11.9	18.42	23.60
1947	253.9	144.49	56.9	35.2	13.8	25.21	25.60
1948	252.9	143.79	56.8	35.4	14.0	23.27	24.38
Jan.	253.6	143.05	56.4	36.1	14.2	27.06	30.16
Feb.	254.9	142.24	55.8	37.8	14.8	22.48	24.79
Mar.	249.9	141.92	56.8	35.8	14.3	21.64	24.20
Apr.	244.6	141.92	58.0	32.4	13.3	19.98	25.25
May	253.3	144.87	57.2	34.4	13.6	20.32	24.00
June	273.2	154.12	56.4	39.9	14.6	23.62	24.20
July	281.3	157.42	56.0	40.6	14.4	27.97	24.24
Aug.	270.8	152.90	56.5	37.2	13.8	29.56	24.15
Sept.	242.9	140.42	57.8	30.8	12.7	28.84	24.64
Oct.	233.6	136.54	58.5	29.5	12.6	25.87	23.67
Nov.	241.4	138.87	57.5	32.5	13.5	22.91	22.92
Dec.	249.8	140.07	56.1	37.1	14.9	21.34	20.31
1949							
Jan.	255.2	142.10	55.7	39.7	15.5	19.74	17.67
Feb.	249.7	138.44	55.4	38.5	15.4	19.78	15.20
Mar.	245.8	137.92	56.1	37.1	15.1	20.49	15.32
Apr.	241.5	135.91	56.3	35.4	14.7	18.60	13.58
May	249.4	139.54	56.0	36.8	14.7	18.86	14.78
June						20.76	14.56

1/ Price refined lard in hardwood tubs 1930 to 1939;
Prime steam lard in 1 pound cartons 1940 to date.

Table 5.- Prices of barrows and gilts purchased at Chicago, 1937-49

(Data for cover page chart)

Year	Jan.	Feb.	Mar.	Apr.	May.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
1937									11.97	10.34	8.72	7.98
1938	7.98	8.40	9.19	8.32	8.26	8.84	9.49	8.75	8.90	7.93	7.68	7.30
1939	7.37	7.86	7.49	7.00	6.82	6.63	6.67	6.21	7.77	7.04	6.04	5.45
1940	5.40	5.19	5.13	5.48	5.70	5.17	6.31	6.69	6.76	6.35	6.16	6.37
1941	7.81	7.78	7.69	8.44	9.00	9.88	11.12	11.23	11.67	10.63	10.22	10.75
1942	11.44	12.65	13.42	14.20	14.09	14.26	14.55	14.74	14.67	14.97	13.94	14.03
1943	14.85	15.38	15.61	15.15	14.46	13.95	13.87	14.42	14.94	14.66	13.74	13.55
1944	13.51	13.64	13.98	13.66	13.16	13.11	13.72	14.58	14.69	14.62	14.18	14.23
1945	14.72	14.75	14.75	14.75	14.75	14.75	14.75	14.75	14.75	14.83	14.74	14.76
1946	14.79	14.85	14.85	14.85	14.85	14.85	18.12	21.93	16.25	23.19	24.19	23.19
1947	22.85	26.12	27.36	23.80	22.67	23.32	24.74	26.31	28.17	28.09	25.10	26.62
1948	27.06	22.48	21.64	19.98	20.32	23.62	27.97	29.56	28.84	25.87	22.91	21.34
1949	19.74	19.78	20.49	18.60	18.86	20.82						

1/ Average for 4 weeks ended June 25.

Table 6.- Monthly range of support price for hogs per 100 pounds, Chicago, 1946-49 1/

(Data for cover page chart)

Month	Support price range	Month	Support price range
	Dollars		Dollars
1946		1948	
January	13.00	January	14.75 - 15.75
February	13.00	February	15.75 - 16.25
March	13.00	March	16.25 - 17.25
April	13.00	April	16.50 - 17.25
May	13.00	May	16.50
June	13.00	June	16.50 - 17.25
July	13.00	July	17.25 - 18.00
August	13.00	August	18.00 - 18.50
September	13.00	September	18.50
October	14.00 - 15.00	October	16.25 - 17.25
November	13.00 - 14.00	November	15.25 - 16.25
December	12.75 - 13.00	December	15.25 - 15.50
1947		1949	
January	13.00 - 13.75	January	15.50 - 16.50
February	13.75 - 14.25	February	16.50 - 17.25
March	14.25 - 15.75	March	17.25 - 17.50
April	15.25 - 15.75	April	16.50 - 17.50
May	15.25	May	16.25 - 16.50
June	15.25 - 16.00	June	16.25 - 17.00
July	16.00 - 16.75	July	17.00 - 18.25
August	16.75 - 17.25	August	18.25 - 18.50
September	16.75 - 17.25	September	18.25 - 18.50
October	15.75 - 16.75	October	
November	14.50 - 15.75	November	
December	14.50 - 14.75	December	

1/ Price of Good and Choice barrow and gilt butcher hogs.

Prices of hogs may drop to support levels this fall. Existing legislation requires that prices be supported at 90 percent of parity through the rest of this year. Support is permissible but not required in 1950 and the support level is not legislated except for an upper limit at 90 percent of parity. In order to avoid a possible severe disruption to marketings at the turn of the year, supports have been announced to continue at present levels up to next March 31.

Support prices in dollars per 100 pounds this fall and winter may be slightly lower than in the same season last year, when they ranged by weeks from a high of \$17.50 to a low of \$15.25 for Good and Choice barrows and gilts at Chicago. The schedule of supports last fall was based on an index of 250 in September for prices paid by farmers, including interest and tax rates. In June this year the index was down to 245, and it may decline somewhat more by this September.

Hog prices have not been down to support levels since 1944. The last week in April this year, when prices ended a month-long decline, they were within \$1.25 of the price at which support operations would have been required. Prices later advanced substantially then declined moderately, and during the week of June 18 they were \$3.82 above the support level.

The average difference last fall and winter between prices of hogs and support prices was \$5.27 per 100 pounds or 32 percent of support. If slaughter supplies of hogs this coming fall-winter season should change in proportion to the spring pig crop, about 15 percent more hogs would be slaughtered than a year earlier. The increase may be greatest in early months of the season. The impact of larger supplies on hog prices would be somewhat more than 15 percent, if it conforms to usual relationships. As appraised on this basis, there is a possibility that prices of hogs may drop to support levels at times.

Demand for pork will probably be the critical factor in the relationship of hog prices and support operations this year. Last fall, demand in relation to consumers' incomes was somewhat above its prewar average. Since that time, it has subsided to about the prewar average relationship. Moreover, incomes have declined slightly thus far in 1949 and may drop more. Trends in demand will affect significantly the possibility and extent of support operations.

More Top Quality Steers Slaughtered

A seasonal increase has been occurring in the number of Choice and Prime steers slaughtered. During the week of June 16, 33 percent of all beef steers sold at Chicago for slaughter graded Choice and Prime. A month earlier, the percentage was around 20. Prices of the better grades of steers weakened in mid-June following a month-long advance. They may rise slightly this summer, then decline in the fall.

Marketings of cattle off grass will rise seasonally during the summer, and prices of these cattle may decline as much as usual. Feeder demand for cattle suitable for feed lots has held strong although recently declining seasonally, and prices of stockers and feeders have averaged fairly high in relation to prices of slaughter cattle. Cattle may be

marketed off grass in good flesh this year. On June 1, cattle and calves were in generally good condition in Western range areas, after making above-average progress in May.

Lamb Slaughter Increasing

More lambs were slaughtered in June than in either of the two previous months, as marketings increased seasonally. Prices have declined from their high in late May and are now below the very high prices of a year ago. Lamb prices are likely to decline further, but to remain high in terms of usual relationship to prices of other meat animals.

Cold-Storage Holdings Down

Cold storage holdings of meat have been generally reduced and are now fairly small in comparison with other years. The 88 million pounds of beef held on June 1 was the smallest for the date since 1941. Pork stocks were cut 138 million pounds between March 1 and June 1, and the 473 million pounds held on June 1 were the fourth smallest June stocks in the last 10 years.

Recent changes in storage holdings probably represent an attempt to reduce stocks to a minimum at an early date, in anticipation of an early and rapid increase in hog slaughter this fall.

Recent Price Trends in Meats Varied by Carcasses and Cuts

Prices, of many meats at wholesale, and over-all average meat prices strengthened in May and up to early June. However, the up-trend during those weeks, and the dip in mid-June, was largely confined to certain classes and cuts. Prices of Good steer beef advanced then broke moderately, and in all weeks were well below last year (table 7). Prices of veal carcasses rose to a point equal to 1948, but dropped 4 dollars in one week. Pork loins also rose well above last year then declined sharply, but hams and picnics were steadily lower than last year and bacon prices were down even more. Dry salt **back** has been priced only 60 percent as high as a year earlier. Lamb carcass prices have fallen from their previous very high value and have recently been below corresponding 1948 prices.

In general, the greatest price strength in late spring was in the better quality cuts of meat. Retail price data, for instance, show that steak and rib roast of beef rose in price relative to beef cuts of lower quality. This trend is not explained by supplies of meat; the supply of the best beef increased as more top grade steers were marketed. Apparently the slow decline in consumers' incomes brought little, if any, shift from the higher to the lower grades of meat; the reduction in demand seems to have been greatest in the lower grades. The changes in mid-June may indicate, however, that demand and prices for better quality meats have lately become more in line with those for the lower qualities.

Table 7.- Wholesale dressed meat prices in dollars per 100 pounds, New York, by weeks
May and June 1948 and 1949

Week of	Good Steer Beef		Good Veal		Good Lamb		Fresh Pork		Fresh Pork Butts		Smoked, skinned	
	Carcass	500-600 pounds	carcass	80-130 pounds	carcass	30-40 pounds	loins	10-12 pounds	Boston style	4-8 pounds	Pork Hams No. 1	16-18 pounds
	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
May 7	41.75	50.10	38.50	44.60	60.00	---	49.00	52.70	37.10	42.10	49.50	55.50
May 14	40.95	51.90	38.20	47.10	57.50	---	47.90	54.30	35.00	44.00	50.50	54.00
May 21	40.75	52.15	39.80	46.50	59.00	---	50.60	55.00	37.00	44.40	50.50	56.50
May 28	42.20	52.75	44.30	46.50	58.00	---	58.30	56.00	41.30	44.60	52.20	56.50
June 4	44.31	53.25	45.38	45.12	57.38	---	62.38	54.75	44.00	44.00	54.62	58.00
June 11	45.00	55.20	43.40	44.00	53.90	61.50	59.70	52.90	44.40	42.10	55.00	58.50
June 18	43.10	55.50	39.20	42.90	46.10	60.60	49.70	51.30	42.20	41.10	55.50	59.00
June 25	42.20	55.30	36.50	41.20	42.10	57.00	46.80	52.70	41.50	42.90	56.25	62.50
	Smoked Bacon,		Smoked Pork		Dry salt back		Refined prime					
	D. C. #1 sliced	picnics, short	shank 4-8 pounds	16-20 pounds	steam lard	1 pound cartons						
	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
May 7	48.50	66.00	34.50	45.00	14.00	23.50	15.25	26.50				
May 14	50.00	67.00	35.00	44.00	14.00	22.25	15.50	25.50				
May 21	49.50	66.75	34.90	45.50	14.05	22.00	15.00	26.25				
May 28	47.50	67.00	34.80	46.00	14.00	23.00	15.38	26.25				
June 4	50.00	64.50	39.44	46.00	14.00	23.50	15.25	25.50				
June 11	51.50	64.50	42.00	45.50	14.00	23.50	15.25	25.75				
June 18	50.00	64.50	42.00	48.00	14.50	24.00	14.38	25.00				
June 25	50.25	65.50	42.00	47.50	15.50	23.00	15.12	25.50				

Winter Losses of Cattle and Sheep in Wyoming

Livestock losses from the severe winter storms in 14 counties of the eastern two-thirds of Wyoming amounted to 20,000 cattle and calves and 100,000 sheep. Other losses brought that area's death toll for the winter and spring to 32,000 cattle and 125,000 sheep. In the entire State, about 41,000 cattle and calves and 154,000 sheep died last winter from all causes. These losses were 4.1 percent of the inventory of cattle on January 1 and 7.4 percent of the stock sheep. On the average, losses for the season are under 2 percent for cattle and are 5-6 percent for sheep.

The full effects of the winter storms on this year's calf and lamb crops have not been appraised. However, more than one-third of the cattle and calves lost were cows and 2-year-old heifers, and nearly all the sheep were breeding ewes and ewe lambs. Considerable damage to the calf and lamb crops can therefore be charged to the storms.

The losses in Wyoming probably were as large as those in most of the West, even though some other areas also suffered severe damage. Wyoming was near the center of the storm area, and livestock producers there were more handicapped by poor feed supplies last fall than those of perhaps any other Western State.

Consumption of Canned Meat Up Slightly in 1948

About 10 percent more canned meats were consumed in 1948 than in 1947, according to data based on federally inspected production and on stocks and foreign trade reports (table 8). For the third year in a row, apparent consumption exceeded one billion pounds. These figures are in terms of net product weight, which are larger than the meat content alone.

Capacity for producing canned meats was expanded rapidly early in the war to fill special military and export needs. Consumption by the civilian population decreased, as most of the supplies were directed to military use or foreign supply programs. Less meat was canned after the war, but the production did not fall to prewar levels, and consumption by the civilian population rose greatly. Greater variety and an improved quality of canned product may have contributed to the enhanced consumer acceptance. Another factor is the high meat prices following the war, which caused many consumers to turn to canned products. Some canned products are relatively inexpensive; and for others that are as high as most meats per pound of contents, the size and moderate price of the sales unit of one can seems to be an attractive feature.

Table 8.- Canned meat: Production and distribution, 1937-48

(Net product weight)										
	Federally inspected production : 1/	Imports : 2/	Beginning stocks : :	Total Supply : :	Commercial exports and shipments : 3/	Ending stocks : :	USDA purchases : 4/	Military purchases : 5/	Apparent civilian distribution : 6/	
Year	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1937	308.1	88.1		396.2	21.9					374.3
1938	303.5	78.6		382.1	22.8					359.3
1939	406.8	85.9		492.7	23.9					468.8
1940	530.2	61.3		591.5	20.2					571.3
1941	883.9	104.3		988.2	26.7		188.4	75.5		697.6
1942	1,926.6	91.6		2,018.2	19.3		875.6	920.5		202.3
1943	2,051.2	105.5		2,156.7	9.9		1,024.8	680.5		441.5
1944	1,930.7	87.7		2,018.4	13.2	17.7	448.6	1,121.0		417.9
1945	1,926.1	54.8	17.7	1,998.6	13.5	18.1	359.6	970.9		636.5
1946	1,342.8	3.3	18.1	1,364.2	55.3	22.6	157.1	19.2		1,110.0
1947	1,099.4	28.7	22.6	1,150.7	64.3	27.3	--	31.1		1,028.0
1948	1,096.0	129.0	27.3	1,252.3	35.4	28.0	--	52.8		1,136.1

1/ Beef, pork, sausage, all other, excluding soup. Federally inspected production is a very large part of total production.

2/ Includes canned beef only.

3/ Department of Commerce data; for 1941-46 the figures are total exports and shipments minus lend-lease and U.N.R.R.A. Amount shipped to Civilian supply Program taken from 1948 total figure.

4/ Canned meats and meat food products officially graded for CCC. Does not include transfers of meat from the military to CCC or small quantities turned back to civilians or transferred to the military. Purchases from U. S. supplies or imports.

5/ From "Statistical Yearbook of the Quartermaster Corps" and other military records. The items shown are not a complete listing of all canned meats purchased during the war years, but cover practically all of the canned meats purchased during the war for mass troop feeding. - Includes imported canned meat and army rations and some meat and rations later transferred to CCC and U.N.R.R.A.

6/ From federally inspected supplies and imports.

PRODUCTIVE LEVEL OF THE CATTLE HERD IN RELATION
TO PROSPECTS FOR OUTPUT OF BEEF AND VEAL 1/

Just a few years ago, new records were set for numbers of cattle on farms, yearly live weight production and slaughter of cattle and calves, and yearly output of beef and veal for consumption. Peak numbers were the 85.6 million head on January 1, 1945. The greatest live weight production on farms was the 19.7 billion pounds in 1944. In 1947 a record 36.0 million cattle and calves were slaughtered, and 12.0 billion pounds of dressed beef and veal produced.

Cattle numbers decreased for three successive years. From 85.6 million on January 1, 1945 they fell 9 percent to 78.1 million in January 1948. During 1948 they increased 370,000 head, but this increase was entirely accounted for by the larger number of cattle reported on feed. Apart from cattle in feed lots, numbers were held practically stable last year.

Approximately 10.6 billion pounds of beef and veal were produced from slaughter of cattle and calves in 1948. This was a sharp cut--12 percent, or almost 10 pounds of meat per person--from the output in 1947.

These reductions from the recent peaks are substantial for the time involved. But if the down-trend in cattle numbers has been halted, as the near-stability in 1948 together with the rather light slaughter of cows and heifers to date in 1949 seems to indicate, the extent of that decline is moderate compared with what occurred in the downward phase of most earlier cycles in cattle numbers. Previously, the number of cattle and calves slaughtered and the quantity of beef and veal produced decreased for about two additional years following the end of a decline in cattle numbers on farms. If this pattern is repeated, the output of beef and veal in 1949, and possibly also 1950, can be expected to be less than that in 1948.

In a long-run view of the cattle industry, the factor that determines the quantity of beef and veal produced for and supplied to consumers is the size and productiveness of the national cattle herd. But within a given year, the decisions of cattle producers to hold or to sell their stock become vitally important in determining the current output of dressed products. Although the record production of beef and veal in 1947 reflected high productivity of the herd at that time, the record total of 36 million head slaughtered was nonetheless made possible through the slaughter of three million head out of inventories, which thereby reduced numbers.

The choice of keeping or slaughtering cattle does more than govern the beef supplies of a particular year; it also affects the supplies in years to come. Because of the long time required for raising a steer or heifer to maturity, a reduction or increase in cattle inventories through large or small slaughter has effects that last several years.

Background material partly provided from RMA research project on Production, Price and Consumption Analysis for Meat Animals and Meat.

Table 9.- Cattle numbers relative to United States population, and annual live-weight of production of cattle and calves relative to January inventories 1920-49

Year	:United States population January 1	:Cattle and calf: nos. January 1	:Live wt.: prod., cattle and calves on farms: January 1	:Number of cows on farms: January 1	:Live weight production: Per head of all cattle	:Per cow	:Per capita of the population
	: Millions	: 1,000 head	: Number	: Mil. lb.	: 1,000 head	: Pounds	: Pounds
1920	: 106.5	70,400	.661	12,403	33,980	176.2	365.0
1921	: 108.3	68,714	.634	12,817	33,748	186.5	379.8
1922	: 110.1	68,795	.625	13,185	34,033	191.7	387.4
1923	: 111.8	67,546	.604	13,174	34,112	195.0	386.2
1924	: 113.8	65,996	.580	13,402	34,257	203.1	391.2
1925	: 115.8	63,373	.547	12,953	33,779	204.4	383.5
1926	: 117.4	60,576	.516	12,605	32,704	208.1	385.4
1927	: 119.0	58,178	.489	12,072	31,690	207.5	380.9
1928	: 120.6	57,322	.475	12,327	31,157	215.0	395.6
1929	: 121.9	58,877	.483	12,754	31,437	216.6	405.7
1930	: 123.1	61,003	.496	13,263	32,194	217.4	412.0
1931	: 124.3	63,030	.507	13,386	33,629	212.4	398.0
1932	: 125.2	65,801	.526	14,232	35,335	216.3	402.8
1933	: 126.0	70,280	.558	15,405	37,282	219.2	413.2
1934	: 126.8	74,369	.587	14,538	39,609	195.5	367.0
1935	: 127.6	68,846	.540	13,651	37,233	198.3	366.6
1936	: 128.5	67,847	.528	14,438	36,244	212.8	398.4
1937	: 129.3	66,098	.511	13,746	35,331	208.0	389.1
1938	: 130.2	65,249	.501	14,047	34,598	215.3	406.0
1939	: 131.2	66,029	.503	15,177	34,587	229.9	438.8
1940	: 132.3	68,309	.516	15,702	35,616	229.9	440.9
1941	: 133.5	71,755	.537	17,029	36,819	237.3	462.5
1942	: 134.8	76,025	.564	18,568	38,891	244.2	477.4
1943	: 136.5	81,204	.595	19,159	41,118	235.9	466.0
1944	: 138.2	85,334	.617	19,708	43,225	231.0	455.9
1945	: 139.8	85,573	.612	19,345	44,226	226.1	437.4
1946	: 141.3	82,434	.583	18,782	43,014	227.8	436.6
1947	: 143.6	81,207	.566	19,055	42,567	234.6	447.6
1948	: 146.3	78,126	.534	18,376	41,039	235.2	447.8
1949	: 148.8	78,495	.528		40,483		

1/ Estimated population of the United States January 1 adjusted for underenumeration of children under 5.

2/ Number of cows and heifers 2 years old and over on farms and ranches January 1.

This opposing position of slaughter versus retention of cattle in each year, and the long life period of the bovine species, are the causes for the characteristic relationship between cyclical changes in cattle numbers and in beef production. Typically, beef production is on the increase at the time the peak in cattle numbers is passed, and reaches its own peak about two years later. It then declines as cattlemen sell fewer calves from the current calf crop and fewer cattle from inventories, and it usually continues its decline until perhaps two years after January 1 herd numbers again turn upward.

Although it is possible that in the next year or so there could be either a rapid further reduction in inventories or a great withholding of cattle from slaughter, the most likely prospect is for numbers to hold about stable. If one of these two other circumstances should occur, beef production would be increased in the one case, or greatly reduced in the other. But the prospect for near-stability puts emphasis on levels of productivity of the cattle herd as a factor affecting supplies of beef and veal. In the discussion that follows, the current level of productivity is examined. The analysis will present some evidence on how much further the annual production of beef and veal is likely to be reduced, as indicated by the experiences in other cycles in cattle numbers. More than that, it will have some meaning in terms of the longer-run significance of herd numbers to beef supplies.

The productivity of the national cattle herd is more important than the size alone. Productivity as measured by annual live-weight production on farms has trended upward steadily over the past three decades. This has a bearing on the outlook for beef and veal supplies in the short-time future. In its broader significance, it also is important in relation to the growth of population. Live-weight production has kept pace with population the last 30 years but annual cattle inventories have not (table 9).

The recent brief down-trend in cattle numbers was somewhat different in character from the downswings of other cattle cycles. ^{1/} Its particular features resulted in a relatively small reduction in total yearly live weight production - 7 percent from 1944 to 1948. This was less than the percentage drop in cattle numbers. The 18.4 billion pounds of liveweight produced in 1948 was much larger than the production in any year up to 1942.

Productivity of the cattle herd in relation to size of herd is determined by (1) the proportion of cows and heifers in the total; (2) the number of calves born per 100 cows; (3) whether calves are sold for slaughter as calves or are retained for further growth and (4) practices in raising and feeding cattle, and the age and weight at which they are slaughtered.

^{1/} For a discussion of the cattle cycle and the distinctive features of each cycle since the late 1800's, see "Cycles in Cattle Numbers," this Situation, March 1949.

An outstanding feature of changes in cattle numbers in late years has been the comparative stability of beef cow numbers. In terms of percentage change in numbers, beef cows (those reported "not-for-milk") were reduced less from January 1, 1945 to the beginning of 1949 than were other age and sex classes. Those cows on January 1, 1949 were only 2.6 percent fewer in number than on January 1, 1945. All other classes of non-milk cattle combined fell by 8 percent in the same period and those in the milk classification, including cows, were reduced more than 10 percent.

The well-maintained numbers of beef cows are an important element in the productivity of the cattle industry at this time because they make possible a large crop of beef calves. They have a further significance; they show that the continued high level of live-weight production per cow indicated by statistics--448 pounds in 1948 compared with 456 in 1944 (table 9)--is a reliable observation. For if a larger than usual proportion of the cows were sold for slaughter soon after a calf crop was born, the subsequent weight gain on the calves as they matured would appear large in relation to the fewer cows remaining at the beginning of the following year.

Numbers of steers were down 11 percent from January 1945 to January 1949 despite the record number of cattle (the greater part steers) on feed on the latter date. Beef heifer and beef calf numbers were down somewhat less, but more than numbers of beef cows.

Table 10.-- Annual calf crop, percentage calf crop, and calf slaughter, 5-year periods 1924-43, and annually 1944-48

Period	Annual calf crop	Number of cows ^{1/} January 1	Calf crop as percentage of cows January 1	Number of calves slaughtered	Calf slaughter as percentage of calf crop
	1,000 head	1,000 head	Percent	1,000 head	Percent
1924-28 av.	24,684	32,717	75	9,048	37
1929-33 av.	26,400	33,975	78	7,952	30
1934-38 av.	28,347	36,603	77	10,202	36
1939-43 av.	31,964	37,406	85	9,438	30
1944	37,040	43,225	86	14,242	38
1945	35,176	44,226	80	13,645	39
1946	34,550	43,014	80	12,168	35
1947	35,234	42,567	83	13,695	39
1948	33,808	41,039	82	12,317	36

^{1/} Number of cows and heifers 2 years old and over on farms and ranches January 1.

Through adoption of new practices for raising and feeding on range and pasture and in feed lot, weight gains are put on cattle faster now than in earlier years. Equally or more important, fewer steers than formerly are held on the range through two or more years and marketed at comparatively heavy weights. In general the reduced age of slaughter cattle means that stockmen are taking advantage of the rapid growth that young livestock will make, and are holding back fewer animals for the slower gains obtained at older ages. While this change in practice reduces the total weight gain per head slaughtered, it results in a larger gain per animal per year and per head in inventory.

Almost nine-tenths of the reduction in cow numbers since 1945 has been in milk cows. In fact, an important feature of the drop in cattle numbers is the substantial decline in numbers of all cattle kept for milk. The 36.6 million milk cows, heifers, and heifer calves on farms January 1, 1949 were 11 percent less than their 1944 peak and 10 percent less than in 1945. For comparison, the decline from 1945 in all cattle not for milk was 6 percent. Previous declines in milk cattle were on a smaller scale. Only during the drought period of the mid-thirties did their numbers drop as much as 8 percent. In 1925-27, they were reduced only 1 percent.

In some regions, farmers apparently are milking fewer of their total cow herd than they formerly did and are reporting in a non-milk category some of the same cows that previously were reported for milk. This change in classification may account in part for the greater reduction shown by statistics in numbers of milk than of beef cows.

Trends in dairy cattle numbers exert an important influence upon beef supplies, and prospects for dairying are an important factor to be considered in the outlook for beef production. The dairy branch of the cattle industry has in the past contributed more than one-third of the Nation's beef and veal supply, through the milk calves sold for veal and the milk cows and bulls which finally go to slaughter. In addition, many calves born to milk cows of dual-purpose breeding are kept primarily for beef, and as steers and heifers are fattened for slaughter.

During the past several years of decreasing cattle numbers, the annual calf crop as a percentage of cow numbers has remained high. Through the 1920's and until the late 1930's, the annual crop was less than 80 percent. During the present decade it has constantly been above 80 percent. In 1947 it was 83 percent and in 1948, 82 percent. Because the percentage has remained high, the annual calf crop is not greatly below its peak size (table 10). It is likely that the beef crop has been maintained especially well.

Another significant factor in the trend in cattle numbers of the last 4 or 5 years has been the large slaughter of calves. Since 1943, annual calf slaughter has totaled 12 to 14 million head, and has comprised 35 to 39 percent of the calf crop. In each of the years 1941-43, calf slaughter was under 10 millions, and represented 30 to 32 percent of the crop (table 10).

When producers sell calves for slaughter, they forego the opportunity to add to their herd of stock for feeding or breeding. Many calves are not suitable to be held to maturity to produce beef or for use as breeding animals, but there has been no change in type of calves raised which on physical grounds would necessitate slaughtering a larger proportion of calves than a few years ago.

If producers should retain more calves instead of selling them for immediate slaughter, total numbers of cattle would be increased. Meat output would be reduced, but to only a limited extent since the average dressed weight of calves slaughtered is only about 110 to 120 pounds. The small current reduction would be followed by a subsequent increase in output when the retained animals were sold later for slaughter at heavier weights. A large number of the calves held probably would be heifers for breeding, and the increase in output from them would be slow to occur, coming on later as their progeny reached slaughter age. But some of the calves would be held as steers and heifers for feeding and slaughter, and the greater weight put on these cattle would add to the meat output within a comparatively short time.

If, for example, calf slaughter were to decline in the next year or two to where it comprised about 32 percent of the annual calf crop, or to about 11 million head, and the calves that were held from slaughter were divided about evenly between breeding and feeding stock, the meat produced from the additional $3/4$ million animals retained and fed-out as beef steers or heifers would add about 2 pounds of beef per capita to the future meat supply. This would be achieved following a previous reduction of one pound of veal per capita.

These are illustrations of possibilities for an increase in output of beef and veal. The actual events will naturally be dependent on the decisions of cattlemen and the economic incentives influencing them. Among the most significant of their decisions will be the number of calves they sell for slaughter. Other features of recent trends in the cattle industry will be less important. The percentage calf crop is now probably near its maximum, although the experiences of some of the more efficient producers indicate that further gains are possible. There are reasons for expecting dairy cattle numbers to increase less than numbers of beef cattle, and the size of the dairy herd may continue to be somewhat restrictive on the yearly output of beef and veal.

In view of the comparatively well-maintained productivity of the cattle industry throughout the recent downswing in numbers the factors discussed here seem to indicate no more than a moderate further decrease in output of beef and veal to be followed by an increase later. Any new radical up-or down-trend in numbers, not now foreseen, would of course change this prospect. Annual output of beef and veal during the next few years will remain well below that of 1945-47, since the production of those latter years included the slaughter of many cattle out of inventories. Except for this difference the output in the period ahead is likely to compare favorably with past levels.

Livestock prices per 100 pounds (except where noted), marketings and slaughter statistics, by species, May 1949, with comparisons

Prices

Item	Annual	January-May		1948		1949		
	1938-47 av.	1948	1949	April	May	April	May	June
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves								
Beef steers sold out of first hand:								
Chicago, Choice and Prime.....	16.19	31.91	26.57	30.37	32.41	25.81	26.12	
Good.....	14.73	28.69	24.24	28.17	30.91	24.37	24.92	
Medium.....	12.88	25.61	22.39	25.43	28.62	22.87	23.62	
Common.....	10.73	22.58	20.68	22.59	25.48	21.22	22.07	
All grades.....	14.66	28.41	23.96	28.43	31.33	24.20	24.88	
All grades, Omaha.....	---	---	22.93	---	---	23.14	24.03	
All grades, Sioux City.....	---	---	22.67	---	---	23.10	24.04	
Cows, Chicago, Good grade.....	11.41	23.00	19.28	23.43	25.39	19.88	20.72	
Cows, Chicago, Cutter and Common 1/.....	8.29	17.79	16.29	18.20	19.31	16.47	16.89	
Vealers: Good and Choice, Chicago.....	14.39	27.93	29.11	26.99	29.04	27.58	26.35	
Stocker and feeder steers, Kansas City.....	11.97	26.05	23.09	26.62	27.60	23.66	24.02	
Average price received by farmers:								
Beef cattle.....	10.86	21.86	20.18	22.50	23.90	20.80	20.90	20.90
Veal calves.....	12.22	23.78	24.52	23.90	25.00	24.90	23.80	23.40
Hogs								
Average market price, Chicago:								
Barrows and gilts.....	13.07	22.50	19.49	19.98	20.32	18.60	18.86	
Sows.....	12.20	18.66	16.18	15.94	16.10	15.34	15.96	
Average price received by farmers:								
Hogs.....	12.38	21.98	19.24	20.30	19.90	18.60	17.90	18.80
Corn, cents per bushel.....	95.3	217.0	119.8	219.0	216.0	122.0	122.0	121.0
Hog-corn price ratio (farm basis) 2/								
North Central Region.....	14.4	10.2	16.6	9.3	9.2	15.8	15.2	15.9
United States.....	13.3	10.1	16.1	9.3	9.2	15.2	14.7	15.5
Sheep and Lambs								
Lambs, Good and Choice slaugh., Chicago 3/.....	14.02	24.66	27.35	25.13	27.68	29.39	29.52	
Feeding lambs, Good and Choice, Omaha.....	12.37	21.19	---	21.61	22.67	0	0	
Ewes, Good and Choice, Chicago.....	6.35	12.63	12.32	12.55	4/12.41	13.70	4/12.52	
Average price received by farmers:								
Sheep.....	5.72	9.61	9.98	9.43	10.50	10.80	10.60	9.95
Lambs.....	11.88	21.52	23.62	21.20	23.30	25.80	25.30	24.40
Meat								
Wholesale, Chicago:								
Steer beef, carcass (Good 500-600 lb.)....	21.28	45.86	39.09	47.02	50.13	39.62	41.25	
Composite hog products (incl. lard) 5/.....	21.39	40.84	35.25	40.58	40.21	34.94	33.47	
Lamb carcasses (Good 30-40 lb.).....	23.66	46.44	51.95	48.70	53.90	57.97	58.35	
B.L.S. index retail meat prices 6/.....	124.3	228.2	223.9	229.5	242.0	228.5	228.0	
BLS index wholesale meat prices 7/.....	---	246.6	221.9	251.5	262.3	224.9	227.0	
Index income of industrial workers 1935-39 = 100.....	228.3	352.6	---	341.1	350.1	339.5	---	

Livestock Marketing and Slaughter Statistics

Item	Unit							
Meat-animal marketings:								
Index numbers (1935-39 = 100)....	---	134	131	132	124	133	125	127
Stocker and Feeder shipments to 8:								
Corn Belt States:								
Cattle and calves.....	Thous.	---	414	483	82	117	100	92
Sheep and lambs.....	Thous.	---	386	512	69	106	63	163
Slaughter under Federal Inspection:								
Number: 8/								
Cattle.....	Thous.	11,943	5,050	5,242	899	877	996	1,025
Calves.....	Thous.	6,111	2,722	2,651	550	509	562	510
Sheep and lambs.....	Thous.	19,541	5,754	4,666	1,045	978	676	761
Hogs.....	Thous.	49,529	19,448	21,386	3,343	3,562	3,894	3,721
Percent sows are of hogs.....	Percent	---	6	10	3	7	10	14
Average live-weight:								
Cattle.....	Pound	942	956	993	972	955	996	997
Calves.....	Pound	202	176	179	168	188	170	182
Sheep and lambs.....	Pound	90	98	97	100	93	97	93
Hogs.....	Pound	271	252	249	245	253	242	249
Meat Production:								
Beef.....	Mil. lb.	5,972	2,568	2,862	475	450	552	571
Veal.....	Mil. lb.	687	266	264	52	53	54	53
Lamb and mutton.....	Mil. lb.	807	261	211	48	42	31	34
Pork (excluding lard).....	Mil. lb.	6,983	2,771	2,965	473	515	528	518
Storage stocks first of month:								
Beef.....	Mil. lb.	---	---	---	144	114	127	108
Veal.....	Mil. lb.	---	---	---	10	7	16	12
Lamb and mutton.....	Mil. lb.	---	---	---	15	9	14	10
Pork.....	Mil. lb.	---	---	---	661	607	586	545
Total meat and meat products.....	Mil. lb.	---	---	---	968	851	861	791

1/ Common until July 1939 when changed to Cutter and Common. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Woolled lambs. 4/ Shorn ewes. 5/ Calculated from value of 71.32 pounds of fresh and cured hog products including lard. 6/ 1935-39 = 100. 7/ 1926 = 100. 8/ 1948-49 slaughter excludes Hawaii and Virgin Islands.

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